

# UNITED RAIL PASSENGER ALLIANCE

*ALMOST ANYTHING IS POSSIBLE IN A TRAIN ... Paul Theroux*

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## Oral Statement to the House Transportation and Infrastructure Committee by J. Bruce Richardson, President, United Rail Passenger Alliance

April 11, 2002

Mr. Chairman,

Good morning. My name is Bruce Richardson. I am President of an independent rail research organization called "United Rail Passenger Alliance, based in Jacksonville, Florida."

Thank you for the opportunity to present our views on Amtrak.

Detailed documentation of my remarks has been submitted separately.

We have studied Amtrak in depth for 25 years. Our research shows conclusively that, from the standpoints of economics and consumer preference, the heart and the backbone of our intercity rail passenger services are in the long distance interregional markets operating at 80 to 90 mph speeds.

These markets today produce nearly half Amtrak's revenues and more than half its output, despite having had less than 5% of its capital investment. That's a superb return on investment, at a total cost that is a trivial fraction of the cost of any "high speed" corridor. According to Amtrak, the annual subsidy needs of the long distance trains are less than one-quarter the total annual subsidy needs of the busy Northeast Corridor.

Long distance trains are heavily used, especially in places like my home state of Florida. Their load factors are twice the load factor of any short corridor, including the Northeast Corridor, and their total output is half again greater than the output of the NEC. Amtrak turns away thousands of high revenue customers a year for lack of capacity on long distance trains. Rail's market share is highest in the 600 to 1,000 mile markets, and the average trip length on long distance trains today is over 800 miles.

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Shorter corridor markets provide socially useful transit and local mobility, and our regions that enjoy such services are clearly better served having that service than not having it. But, Amtrak's greatest weakness – what stands between it and both commercial and financial success – is the inadequacy of its national network of both interregional and corridor services, so that more Americans could use trains to get from their origins to their destinations.

This network can be built up using modern, 80 to 90 mph trains, at modest cost. All the empirical evidence, including travel behavior after September 11, shows that Amtrak's real competition even in 200 to 300 mile markets is the private automobile, not our airlines. High cost, high speed rail therefore is unnecessary, and lies in the future. Our friends in Europe and Japan built HSR only when their underlying conventional networks became fully developed and saturated. That condition exists nowhere in North America. But demand for rail exists everywhere in the U.S. – in Texas and Montana just as much as in the Northeast and California, so federal funding support for a truly national system remains indispensable.

In the short term, our business plan for Amtrak, submitted separately, shows how we could operate a successful, growing and national rail passenger system at current levels of federal subsidy, deferring until later the extreme costs of HSR development.

Thank you Mr. Chairman.